

DBB 12028

FD-304 (Rev. 3-3-55)

UNITED STATES DEPARTMENT OF JUSTICE  
FEDERAL BUREAU OF INVESTIGATION

Copy to:

Report of: SA DANIEL F. DALY  
Date: Aug. 18, 1967

Field Office File #: 105-23847

Title: O ANDRE BELA LOUIS BAK



Office: Chicago

Bureau File #: 105-147037

Character: INTERNAL SECURITY - FRANCE  
REGISTRATION ACT - FRANCE

Synopsis: Attempts to locate ALEXANDER BANHEGYI at Chicago, Illinois, negative to date. OLIVER LOVASZ determined not to be in violation of Registration Act. LOVASZ interviewed 8/14/67, regarding intelligence activities while in France and Germany during period 1950-51.

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CENTRAL INTELLIGENCE AGENCY  
SOURCES/METHODS/EXEMPTION 3B2B  
NAZI WAR CRIMES DISCLOSURE ACT  
DATE 2006

CG 105-33847

DETAILS:

Mrs. BARBARA KENNER, Immigration and Naturalization Service, Chicago, Illinois, advised SA DANIEL F. DALY on July 18, 1967, that her records contain no record identifiable with ALEXANDER BANHEGYI.

On July 18, 1967, a review of the current Chicago telephone directory, dated July, 1966, was conducted by SA DALY. No listing identifiable with ALEXANDER BANHEGYI could be located.

On July 24, 1967, the records of the Naturalization Service on file in the United States District Court, Chicago, Illinois, were checked by SA DALY. No record identifiable with ALEXANDER BANHEGYI could be located in these files.

## FEDERAL BUREAU OF INVESTIGATION

1.

Date 8/17/67

OLIVER LOVASZ, 4046 North Greenview Avenue, Chicago, Illinois, was advised of his rights as shown on an executed warning and waiver form which he signed *OLIVER LOVASZ* *8/17/67*

*ZR* OLIVER LOVASZ advised that he was an officer in the Hungarian Army prior to and during World War II. He said that he saw combat duty on the Russian front, also served on the Hungarian Army General Staff during the war as a major and that at the time of the collapse of the Hungarian Army around Easter, 1945, fled with his family to Eiburg, Germany. LOVASZ said that he and his family lived there for approximately three years and that he was considered, by the American forces stationed there, to be a prisoner of war during the initial period he was in Eiburg. However, he said he was not incarcerated and allowed to live with his family.

LOVASZ said that he went to the area around Metz, France, in September, 1948, to obtain employment and that in January, 1951, he was recruited by ANDRE BAK into the public aspect of a Hungarian refugee association run by a General ANDRAS ZAKO. Around two months later he was inducted into the secret service branch of this organization which sought information about Russian and Hungarian troop strength in Hungary. He said that this organization of General ZAKO's was financially sponsored by French intelligence, but that he considered himself an employee of General ZAKO and not of the French. He did state that he received a salary of 300 DM per month from General ZAKO while so employed, and that the organization was composed of anti-communist Hungarians.

*Then the public aspect of Hungarian refugee association France 1948* LOVASZ advised that his employment in the secret service branch of this Hungarian refugee organization lasted from May, 1951, to around January 15, 1952, during which period he commanded a small detachment of several men at Langenargen, Germany, which is near the Austrian border on Lake Bodensee. He said that this detachment trained members of the organization's secret branch for intelligence missions in Hungary, and that during his period at Langenargen they sent about five men into Austria who were destined for Hungary. LOVASZ advised that they

On 8/14/67 at Chicago, Illinois SD 105-6013  
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by SA DANIEL F. DALY:flk Date dictated 8/16/67

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DPOB HUNG  
CIT HUNG  
OCC

AUSTRIA

*Marked for ANDRAS ZAKO  
in Innsbruck, Austria (1952)*

passed these agents across into Austria where they were met by ALBIN KAPITANYFY who was ZAKO's right hand man and stationed in Innsbruck, Austria, where he worked counterintelligence. KAPITANYFY would then get these agents to Vienna where they would be given assistance in getting across the Hungarian border by a first lieutenant, (First Name Unknown) DIMI-GERO who was also a member of this secret intelligence organization *DPOB HUNG?  
CIT HUNG?  
OCC MILITARY?*

*Border guard (AUSTRIA-HUNGARY 1952)*

LOVASZ advised that this operation achieved some success but was greatly hampered by DIMI-GERO who was working for the communists, revealing the identities of ZAKO's agents *A HUNGARY* to the communists and who later fled to Hungary when he thought he had been detected as a double agent. LOVASZ said that this became known in the Fall of 1951 when his detachment at Langenargen passed an agent to KAPITANYFY and had also notified DIMI-GERO in Vienna that another agent was coming through. KAPITANYFY meanwhile had received instructions directly from General ZAKO not to pass this agent to Vienna due to a lack of funds. DIMI-GERO did not know of this change in plans and when the agent did not appear in Vienna became alarmed and fled to Hungary. LOVASZ advised that he does not know the whereabouts of KAPITANYFY or DIMI-GERO and has not heard of either of them being in the United States.

OLIVER LOVASZ said that all funds received by General ZAKO from the French were kept in a bank in Munich, Germany, under ZAKO's name. No accounting of these funds was ever made by ZAKO and his requests that an accounting be made were ignored. In addition, LOVASZ said that while in Langenargen he was visited by a French intelligence officer who complained that General ZAKO was selling his intelligence information to the Americans and the British in violation of the agreed upon procedure. He said that his own displeasure at the financial arrangements in the operation was his main reason for leaving Germany and the secret service branch of this organization in January, 1952.

LOVASZ advised that ALEXANDER BANHEGYI was one of the several men his detachment in Langenargen sent into Hungary by way of Austria. He said that BANHEGYI was successful even

*Marked for OLIVER LOVASZ  
(1952 AUSTRIA)*

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DPOB HUNG  
CIT HUNG  
OCC  
AUSTRIA (1952)

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though he was followed by the communists during his entire stay in Hungary, and that as BANHEGYI approached the Hungarian border on his way out he was forced to jump from a train to make good his return to Austria. BANHEGYI was returned to Paris, France, where he was very vocal in his condemnation of ZAKO and spoke too much about the secret intelligence branch of this Hungarian organization. LOVASZ did advise that he, LOVASZ, was also vocal in the Hungarian community in Paris about General ZAKO after his return from Langenargen in January, 1952. He said that BAK, who was then in charge of the public aspects of the Hungarian organizations in France tried to force BANHEGYI and himself to be silent about their anti-ZAKO feelings but BAK was unsuccessful. LOVASZ said that he believes BANHEGYI later offered his services as an intelligence agent to the United States Embassy in Bern, Switzerland, was refused, and later might have rejoined General ZAKO's organization. He said that if BANHEGYI did rejoin ZAKO he probably would have been sent back into Hungary by ZAKO after the communists were alerted. LOVASZ speculated that BANHEGYI is now probably dead and to his knowledge has never been in the United States. (101-86607) CIT HUNG

*ZR*  
LEGOS RAJAGH was the second man in his detachment at Langenargen sent into Hungary and who successfully accomplished his mission against Hungarian and Russian military establishments. He said that RAJAGH later joined the United States Army and remained in it for five years, receiving special intelligence training. LOVASZ advised that he has not heard from RAJAGH in several years and assumes he is now working for American intelligence due to the sudden curtailment of correspondence from RAJAGH who was last known by LOVASZ to be in the United States. *1952* *LOVASZ ALIVE* OCC *AUSTRIA (62)*

OLIVER LOVASZ said that when he left Germany in January, 1952, he went to Paris where he continued to associate with ANDRE BAK, who was also receiving funds directly from the French to finance his own secret intelligence activities. He said that at this time, he, LOVASZ, was disenchanted with General ZAKO and in May, 1952, severed all relations, both

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public and secret, with the Hungarian refugee organization due to ZAKO's management of its affairs. He said that the last he heard of ANDRE BAK was that he was living in San Diego, California, but LOVASZ could not say where he had heard this.

See contact of OLIVER LOVASZ

LOVASZ did advise that he has not been connected with any Hungarian organization since his arrival in the United States and strongly doubts if any intelligence activity has been attempted here similar to that established in France. He did state that he is aware of two former Hungarian Army captains now living around San Francisco, California, who were in ZAKO's intelligence organization and assigned to Freiburg, Germany, as counterintelligence agents. He identified one of these men as ANDREW APOSTAGHY and the other he could not recall. He did state that a close friend of his, STEVEN GARAY, resides DPOB HINC in San Jose, California, and should be able to supply the CIT USA whereabouts of APOSTAGHY and the identity of the other captain OCC. According to LOVASZ, GARAY knows nothing about the secret work of this Hungarian organization. He also said that there A USA is a third former Hungarian Army captain in the San Francisco CALIF area but that this captain was not connected with the intelligence operation and can be distinguished from the unknown captain, who was assigned to Freiburg, Germany, since this intelligence agent was very tall.

LOVASZ did advise that his assistant at Langenargen, Germany, was EUGENE BODY who now resides at 4227 North Paulina, Chicago, Illinois, and who also quit intelligence work for ZAKO for the same reason he did. He said that BODY works for McDonald Engineering and that he, LOVASZ, works for A. J. Boynton Engineering, 111 North Wabash, Chicago, Illinois.

< Worked for ANDRAS ZAKO

one-time (48-57)